

## BOARD CHARTER

### Purpose

1. This Board Charter sets out the role, responsibilities, composition and procedures of the NPF Board.
2. The purpose of the Board Charter is to ensure a high standard of governance.

### The organisation

3. The Board of Trustees of the National Provident Fund (NPF) was established (in its current form) by the [National Provident Fund Restructuring Act 1990](#) (the NPF Act) to manage and administer the various NPF schemes, including the Global Asset Trust (together referred to as the Schemes).
4. Provisions affecting the Board's governance, Board members and reporting are set out in the NPF Act. The Board is also bound by the provisions of the respective trust deeds of the schemes.
5. The Board recognises the importance of focusing on the governance of NPF and achieving NPF's strategic outcomes, rather than management and day-to-day operations of the organisation.
6. NPF has established a 50:50 joint venture company, Annuitas Management Limited (Annuitas), in conjunction with the Government Superannuation Fund Authority (GSFA).
7. A joint venture agreement governs Annuitas' relationship with NPF and GSFA and both organisations contract for services with Annuitas under their respective Management Services Agreements (MSA)
8. Annuitas is charged with providing services to enable the day-to-day management of NPF, acting within authorities delegated by the Board, as specified in the MSA.
9. Annuitas provides executive services covering schemes administration, investment management, finance, risk management and board secretariat services.

### Governance principles:

10. The Board has adopted the following best practice principles:
  - a. Board members will observe and foster high ethical standards and act with integrity at all times.
  - b. There will be a balance of skills, knowledge, experience and perspectives among Board members so that the NPF Board works effectively.
  - c. The Board will use committees where this will enhance its effectiveness in key areas while retaining full Board accountability.
  - d. The Board will demand integrity both in financial reporting and in the timeliness and balance of disclosures made.
  - e. The Board will regularly verify that NPF has appropriate processes that identify and manage potential and relevant risks.
  - f. The Board will ensure the quality and independence of the external audit process.
  - g. The Board will respect the interests of stakeholders, especially those of the Crown and of scheme members.

### Board values

11. The Board has adopted the following values that set expectations for Board members' interactions with each other and with NPF's stakeholders and commercial partners.
  - a. **Excellence:** We are dedicated to continually improving our skills, knowledge, and processes. We embrace new ideas, seek out feedback, and strive for excellence in

everything we do.

- b. **Stakeholder-centricity:** Our goal is to meet the needs and reasonable expectations of stakeholders, including the Crown, members and contributing employers.
- c. **Integrity:** We are committed to upholding the highest standards of respect, honesty, transparency, and ethical behaviour in all our interactions with stakeholders, colleagues, and partners.
- d. **Teamwork:** We believe in the power of collaboration and teamwork. We foster a supportive and inclusive culture where everyone is valued and respected. We work together to achieve our goals, celebrate our successes, and learn from our challenges.

#### **Board members' collective duties and responsibilities**

- 12. The collective duties of the Board are set out in the [Financial Markets Conduct Act 2013](#) but are subject to the provisions of section 59A(1)(e) (duty to consider the Crown's interest as guarantor) and section 59A(1)(f) (concerning investment of existing schemes) of the NPF Act.
- 13. Board members must ensure that all legal requirements under the relevant Acts are met, and that the entity is protected from harmful situations and circumstances in the interests of current and future stakeholders.
- 14. Specific responsibilities of the Board include:
  - a. *Legal duties:* Board members must fulfil their fiduciary duty to act lawfully and in NPF's best interest at all times regardless of personal position, circumstances or affiliation. They should be familiar with all NPF's constitutional and legal arrangements.
  - b. *Crown's interest:* The Board has a duty to consider the Crown's interests as guarantor of the benefits and liabilities of the NPF schemes.
  - c. *Members' interests:* After considering the Crown's interests, the Board must act in the best interest of scheme participants and treat them equitably.
  - d. *Strategy:* approving and oversight of appropriate strategies, annual budgets and business plans.
  - e. *Annuitas:* evaluating the performance of Annuitas in relation to the services specified under the MSA.
  - f. *Audit:* ensuring that effective audit systems are in place, facilitating regular and full dialogue between the ARRC, external auditors and Annuitas management.
  - g. *Risk appetite:* setting the risk appetite and the risk boundaries for NPF.
  - h. *Risk management and compliance:* managing all types of risk with the ARRC making recommendations on preventable risks and ensuring that effective risk management and compliance systems are in place.
  - i. *Privacy:* approving (and regularly reviewing) strategies on privacy to ensure effective systems are in place to address privacy risks and monitor those systems.
  - j. *Operational efficiency:*
    - i. taking an active interest in legislative and other developments which affect NPF's ability to operate efficiently;
    - ii. encouraging a disciplined and innovative approach to improving operational efficiency; and
    - iii. encouraging cost-effective compliance.
- 15. Board members must always comply with the express terms and spirit of their statutory obligations to NPF, including acting honestly and in good faith and in what they reasonably believe to be the best interests of NPF. This includes compliance with NPF's Acceptable

Conduct Policy and the Public Service Commission's [Code of Conduct for Crown Entity Board Members](#).

16. Board members are expected to act in a politically impartial manner and conduct themselves in a way that enables them to act effectively under current and future governments. This includes not making political statements, engaging in political activity in relation to the functions of NPF, and acting in ways that places Ministers or entities they are responsible for in a position of embarrassment.
17. Board members must ensure that information they hold about NPF is kept securely and treated in strict confidence, and that property of NPF (including information) is used solely in the best interests of NPF.

### **Conflicts of interest**

18. The Board Code of Conduct governs potential conflicts of interest which may arise between Board members and NPF's business.
19. Board members must advise the Chair of all outside Board memberships or other appointments and interests, noting those specifically which may have a bearing on their role as an Authority Board member, prior to becoming a Board member; and thereafter in respect of any new appointment, prior to taking up such an appointment.
20. Where conflicts (or potential conflicts) of interest may arise, Board members must formally notify any matter relating to that conflict (or potential conflict) in the following manner:
  - i. if the conflict is identified by the Board Member or Chair:
    - i. Board Member notifies the Board Chair and Annuitas; or
    - ii. Board Chair notifies Annuitas and the Deputy Chair.
  - ii. if the conflict is identified by Annuitas staff:
    - i. in the case of a Board member, the Chief Executive of Annuitas notifies the Board Chair and the affected Board Member; or
    - ii. in the case of the Board Chair, the Chief Executive notifies the Deputy Chair and the Board Chair.
21. NPF Board members also serve on the GSFA and Annuitas Boards. When acting on matters that affect both NPF and one or both of the other two boards, Board members must consider the interests of each entity independently.
22. Board members should not undertake consulting work for NPF. This does not preclude a Board member from undertaking assignments for the Board that fall within the scope of his/her normal duties, but it does preclude the Board member from carrying out, for example, a consulting assignment that would otherwise be contracted to a third party. If the Chair considers that an exception to this rule is justified, the chair must document their reasoning and refer the circumstances to the Minister of Finance for approval in advance.

### **Accountability**

23. NPF has certain reporting obligations under the NPF Act:
  - a. As soon as practicable after the end of each financial year, the Board shall send to the Minister such reports for each existing scheme and such financial statements, as the Minister may require.
  - b. As soon as practicable after the end of each financial year, the Board shall send to the Minister an annual report on its performance in carrying out its responsibilities under the NPF Act and as trustee of the schemes.

## **Board composition**

24. Section 13 of the NPF Act specifies that the Board shall consist of no fewer than 4 members. Board members are appointed and removed by the Minister of Finance.
25. The Board will annually review the qualifications and skills represented by the Board members and will look to ensure that the Treasury (as advisors to the Minister of Finance) remains apprised of the composition and mix that the Board believes is appropriate to achieve NPF's strategic aims.
26. From 1 January 2026, the Minister of Finance has appointed the same members to the NPF and GSFA Boards. These members also comprise the Annuitas Board.

## **Induction, indemnification and Board fees**

27. New Board members will have the benefit of an induction programme aimed at deepening their understanding of NPF.
28. The NPF Board is indemnified for its lawful actions if acting in accordance with the respective scheme trust deeds. NPF does not separately indemnify each Board member.
29. Board and Committee members' remuneration is set by the Minister of Finance. Members are also entitled to be reimbursed for actual and reasonable travelling and other expenses incurred in carrying out their Board member duties.
30. Board members of NPF are also appointed to the Annuitas Board in accordance with the joint venture agreement. Members are not remunerated separately for this work.

## **Committees**

31. Board Committees exist to increase the overall effectiveness and efficiency of the Board. Committees have no legal standing, and all Board members remain accountable for Committee activities. Committees do not take actions or make decisions on behalf of the Board, except where they have been specifically mandated to do so.
32. The Board has two standing Committees:
  - i. the Audit & Risk Review Committee (ARRC); and
  - ii. the Investment Committee (IC).
33. From time to time the Board may create specific sub-committees to deal with particular matters and/or to have certain decision-making authority as may be delegated by the Board.
34. The Board appoints the members and Chair of each Committee. The Board Chair is an ex-officio member of each Committee but may not chair any Committee.
35. Each Committee operates under the Terms of Reference (ToR) agreed by the Board. The ToR of each standing Committee is formally reviewed by the Committee and the Board every two years, or when the Board otherwise determines necessary. The ToR for each of the standing Committees are an addendum to this Charter.
36. Each Board member has unrestricted access to all committee meetings and records. The Board receives, as set forth in the ToR of the committee concerned, a report from the committee describing the committee's actions and findings.

## **The Chair**

37. The Chair and Deputy Chair are appointed by the Minister of Finance.
38. The Chair's role is to manage the Board effectively and provide leadership and guidance consistent with the Minister's expectations, to ensure that it is operating to the highest governance standards. Specific responsibilities of the Chair include:
  - i. developing and maintaining sound relationships with Ministers, relevant officials and other stakeholders.

- ii. ensuring a biennial performance review of the Board as a whole, as well as of the Chair and members individually.
- iii. fostering a constructive governance culture and ensuring that members and Annuitas staff apply appropriate governance principles.
- iv. ensuring that NPF's governance arrangements are continually reviewed and updated to reflect current best practice.
- v. providing the necessary guidance and support to the Chief Executive and the Executive Team of Annuitas to ensure NPF and the Schemes are managed effectively.
- vi. ensuring that all members are enabled to and encouraged to play their full part in the affairs of the Board and have adequate opportunities to express their views.
- vii. promoting cooperation, mediating between different perspectives and leading informed debate and decision making.

### **Meeting procedures**

- 39. The Board will meet at least six times a year on a formal, scheduled basis and on other occasions as may be required. Members must notify the Chair of any absences.
- 40. A quorum of the Board is four members.
- 41. The procedures in Schedule 4 of the NPF Act apply to the Board.
- 42. The Board has sole authority over its agenda which will be set by the Chair in consultation with the Chief Executive of Annuitas. Any Board member may, through the Chair, request the addition of an item to the agenda.
- 43. If the Chair is absent from a meeting, the Deputy Chair will act as Chair of the meeting. If neither are present, the members of the Board who are present at the meeting may choose one of the members present to chair that meeting.
- 44. A special meeting may be called by the Chair (or, in the Chair's absence, the Deputy Chair (if any), and in the Deputy Chair's absence, any other Board member), in exceptional circumstances. At least 5 days' notice of a meeting of the Board should be given unless the Chair (or meeting convenor) believes that the urgency is such that shorter notice is required, so long as at least 2 hours' notice is given. Any such shorter notice may be given by telephone communication to each Board member where it is not practicable to give written notice within that timeframe.
- 45. The Chair or any Board member may propose a motion to a meeting and will not require a seconder for such a motion.
- 46. The Board may request members'-only time prior to the commencement of, or at the conclusion of, a Board meeting.
  - a. Matters discussed in members'-only time will not be formally minuted. If a formal record is required such matters would be communicated by the Chair to the Board meeting and recorded as part of the minutes of that Board meeting.
  - b. Board members are to notify the chair at least 48 hours in advance of the meeting of items that they wish to be discussed in Board only time.
- 47. The Board Secretary will be a person designated to that role by the Chief Executive of Annuitas. Other than during Board member only time, the Board Secretary is to be present throughout all Board meetings.
- 48. The Board Secretary, or other Annuitas employee agreed by the Chair, will take minutes of each meeting, which will be presented for approval at the next scheduled meeting of the Board.
- 49. Board members are to notify the chair at least 48 hours in advance of the meeting of items they wish to be discussed in general business.

50. Board papers are to be received at least 5 working days in advance of Board meetings
51. Board members are encouraged to seek clarification on matters in Board papers, prior to the Board meeting. This clarification is to be sought through the Chair to the Annuitas Chief Executive, or directly with the Annuitas Chief Executive on the Chair's approval.

### **Delegations**

52. Clause 6, Schedule 4 of the NPF Act provides that the Board may delegate any of its powers. Subject to certain caveats, Section 5 of the MSA with Annuitas delegates to Annuitas functions or powers of the Board, except those expressly reserved by Schedule 4 of the MSA. The Board has also formally delegated responsibilities and authorities to the Audit & Risk Review Committee (ARRC) and the Investment Committee (IC).
53. Delegated authorities are subject to regular review by the Board but may be changed or withdrawn at any other time at the sole discretion of the Board.

### **Access to information and independent advice**

54. Board members may access such NPF information and advice as they consider necessary to fulfil their responsibilities and permit independent judgement in decision-making. Any queries as to matters of management will be provided to the Chief Executive of Annuitas for action, with correspondence to be copied to the Board Chair. Members may have access to external auditors without management present.
55. Board members are entitled to obtain, at NPF's cost, independent professional advice relating to the discharge of their responsibilities as a Board member. Board members are expected to consult the Chair and Annuitas Chief Executive prior to obtaining the advice, to ensure independence and avoid duplication.
56. Where the advice relates to the Chair, Board members should consult the Deputy Chair. Where the advice relates to the Chief Executive of Annuitas, Board members should consult the Chair only. A copy of any advice will be made available to all Board members (other than in exceptional circumstances).

### **No surprises protocol**

57. NPF has a "no surprises" protocol between the Board and the Minister, and Annuitas and the Board. It is anticipated that the Chair will meet with the Minister on an as needed basis.

### **Evaluation of Board performance**

58. The performance of the Board will be independently evaluated biennially and will include Board effectiveness as a whole and a review of the performance of individual Board members including the Chair. The Chair will meet with each Board member following the review to provide feedback on individual performance and in turn to seek from individual Board members feedback on the Chair's own performance.
59. In years where an external review is not undertaken, the Board will undertake a self-assessment of performance. Executive summaries of Board evaluations will be shared with Treasury.

### **Relationship with Annuitas Executive**

60. Annuitas' Chief Executive (the CE) is the primary point of accountability between the Board and Annuitas Executive.
61. The CE is accountable to the Board for the services specified under the MSA and for NPF that is delegated to Annuitas. The CE works in a constructive partnership with the Board and provides his or her free and frank advice to the Board.
62. Annuitas staff report to the Board through the CE, at Board meetings through operational reports (that have been approved by the CE). The CE reports directly to the Board at Board meetings.

63. The CE maintains an informal link with the Board through the Chair between Board meetings and keeps the Chair informed of all important matters on a “no surprises” basis. The Chair is available to the CE to provide counsel and advice where appropriate, but only the Board acting as a body can make decisions that are binding on Annuitas.
64. The Board will meet from time to time without the CE or Annuitas staff in attendance, where this is appropriate.

**Related policies**

65. This Charter should be read in conjunction with the following organizational policies:
- i. Acceptable Conduct Policy
  - ii. Expenditure Policy
  - iii. Health, Safety & Wellness Policy
  - iv. Information and Records Management Policy.

**Review**

66. This Charter has been approved by the Board and will be reviewed every two years by the Board.

**Approved** – 14 May 2026

# NPF Board Charter Appendix 1

## BOARD OF TRUSTEES OF THE NATIONAL PROVIDENT FUND INVESTMENT COMMITTEE

### TERMS OF REFERENCE

#### **1. Scope**

- 1.1. The Investment Committee (the "Committee") is a Committee of the Board of Trustees of the National Provident Fund (the "Board"). Its function is to assist the Board in fulfilling its responsibilities as trustee of the National Provident Fund Schemes ("the Schemes") and the Global Asset Trust ("GAT") and to ensure the Board adheres to its Statement of Investment Policies, Standards and Procedures ("SIPSP").

#### **2. Responsibility of the Board**

- 2.1. The Board's power to invest is contained in section 19 of the Act.
- 2.2. Under section 6 of Schedule 4 of the Act, the Board may delegate any of the functions or powers of the Board to a committee of the Board or to any person.
- 2.3. The Board has delegated to the Committee responsibility to consider, and decide where necessary, those matters shown in Appendix 1 as reported only to the Committee.

#### **3. Role of the Committee**

- 3.1. Subject to those powers and responsibilities reserved to the Board, the Committee will assist the Board in the following matters:
  - 3.1.1. Reviewing the SIPSP and Financial Management policies and compliance with them.
  - 3.1.2. Reviewing the performance of investment strategies according to the frequency established by the Board.
  - 3.1.3. Considering expert independent advice with respect to investment strategy performance reviews and SIPSP compliance.
- 3.2. The Committee shall have the power to conduct or authorise investigations or reviews into any matters within the Committee's scope of responsibilities, within budgets approved by the Board.
- 3.3. Unless otherwise specified by the Board, the Committee has the power to make decisions with respect to those matters shown in Appendix 1 as reported only to the Committee.
  - 3.3.1. Nothing in this clause stops the Committee from referring to the Board any matter for decision.
- 3.4. In meeting these responsibilities, the Committee will:  
Investment Policy
  - 3.4.1. Approve SIPSP changes that are of a minor, or procedural nature.
  - 3.4.2. Approve changes to the NPPS Financial Management Policy
  - 3.4.3. Review with Management and the Investment Consultant compliance with the SIPSP.

### Strategy reviews

- 3.4.4. Consider the annual review of capital market assumptions and the triennial review of the methodology to determine those.
- 3.4.5. Consider the annual reviews of each asset class.
- 3.4.6. Consider the triennial reviews of:
  - Dynamic asset allocation.
  - Currency management.
  - Securities lending.
  - Class actions.

### Investment consultant

- 3.4.7. Review the performance of the investment consultant.

## **4. Reporting**

- 4.1. Attached as Appendix 1 is the reporting schedule for the Committee.
- 4.2. Where a paper considered by the Committee is being referred on to the Board for further review or final decision, the Committee will make a recommendation to the Board as to what it believes is the appropriate course of action.
- 4.3. The Chair of the Committee will give a summary of the Committee's deliberations at the subsequent Board meeting.

## **5. Relationships**

- 5.1. The Committee will work closely with Annuitas in fulfilment of these Terms of Reference and the provision of services by Annuitas to the Board.
- 5.2. The Committee will liaise as necessary with Annuitas and the Investment Consultant to enable it to advise the Board on investment issues. It will meet with the Investment Consultant, separate from Annuitas, at least once a year.

## **6. Membership**

- 6.1. The membership of the Committee will comprise at least two members of the Board. One member of the Committee will act as its Chair. The Chair of the Board an ex-officio member of the Committee.
- 6.2. A quorum comprises any two Committee members. Any other Board member may attend and participate in meetings of the Committee.
- 6.3. Membership of the Committee must be reviewed at least every three years and rotation of member's appointments is to be encouraged.

## **7. Meetings**

- 7.1. Meetings will take place at times agreed by the Committee. It is expected to meet regularly as required, usually two weeks prior to a quarterly Board meeting.
- 7.2. Minutes of all Committee meetings will be available to all Board members via Diligent.
- 7.3. Working in conjunction with the Committee Chair, Annuitas' Chief Investment Officer will determine a timetable and agenda to ensure that all reporting matters within the Committee's responsibility are considered each year.
- 7.4. The Committee shall invite Annuitas staff, the Board's Investment Consultant and representatives of other organisations, as it deems necessary, for the conduct of its business.

## **8. Review**

- 8.1. The Committee's Terms of Reference will be reviewed triennially to ensure its activities remain consistent with the Board's responsibilities.
- 8.2. The Committee will review its own performance annually alternating between a minuted discussion and a documented questionnaire, and the Chair of the Committee will report to the Board following each review.

## **9. Administration**

- 9.1. Annuitas' Chief Investment Officer shall act as Secretary of the Committee and may delegate this responsibility as required.

## **10. Approval**

- 10.1. Last approved by the Board February 2026.

## Appendix One – Reporting Schedule

Lead	Reporting items	Reporting line			
		IC	Freq.	Board	Freq.
GM Schemes	NPPS Financial Management Policy review	✓	3 Yearly	✓	3 Yearly
CIO	CIO report			✓	Quarterly
CIO	Quarterly Investment Report			✓	Quarterly
CIO	Responsible Investment Update incl. Climate Change			✓	Quarterly
CIO	SAA for all Schemes			✓	3 Yearly
CIO	Review of Investment Framework (incl. beliefs)			✓	3 Yearly
CIO	Liquidity Policy			✓	3 Yearly
CIO	Rebalancing Policy			✓	3 Yearly
CIO	Review of Scheme's investment objectives			✓	3 Yearly
CIO	Custodian Review			✓	5 Yearly
CIO	IC self-review - minuted discussion	✓	2 Yearly	✓	2 Yearly
CIO	IC self-review - survey	✓	2 Yearly	✓	2 Yearly
CIO	IC Terms of Reference review	✓	3 Yearly	✓	3 Yearly
CIO	SIPSP review – minor changes*	✓	Yearly		
CIO	SIPSP review – material changes			✓	As required
CIO	Investment Consultant – contract review			✓	5 Yearly
CIO	Investment Consultant – performance review*	✓	Yearly		
CIO	SIPSP Compliance – Governance & Strategy*	✓	3 Yearly		
CIO	SIPSP Compliance – Responsible Investment *	✓	3 Yearly		
CIO	SIPSP Compliance – Risk Mgmt. & Monitoring*	✓	3 Yearly		
CIO	Capital Markets Assumptions*	✓	Yearly		
CIO	Capital Markets Assumptions methodology*	✓	3 Yearly		
CIO	Global Bonds*	✓	Yearly		
CIO	NZ Bonds*	✓	Yearly		
CIO	Global Public Equities*	✓	Yearly		
CIO	NZ Public Equities*	✓	Yearly		
CIO	Dynamic Asset Allocation Review*	✓	3 Yearly		
CIO	Currency Management*	✓	3 Yearly		
CIO	Securities Lending*	✓	3 Yearly		
CIO	Class Actions*	✓	3 Yearly		

\* These matters may be reviewed, and decided upon as necessary, by the Committee without reference to the Board

## NPF Board Charter Appendix 2

# BOARD OF TRUSTEES OF THE NATIONAL PROVIDENT FUND AUDIT & RISK REVIEW COMMITTEE

### TERMS OF REFERENCE

#### **1. Scope**

- 1.1. The Audit & Risk Review Committee ("the Committee") is a Committee of the Board of Trustees of the National Provident Fund ("the Board").
- 1.2. Its function is to assist the Board in fulfilling its responsibilities with respect to internal controls, accounting policies, financial statements approval, risk management and the nature, scope, objectives and functions of external and internal audit as Trustee of the NPF Schemes and the Global Asset Trust ("GAT").
- 1.3. The Committee is not responsible for allocating the appropriate level of financial risk taken in the Schemes or within strategies, sub-strategies and individual investments of the units of the GAT.

#### **2. Responsibility of the Board**

- 2.1. All decisions relating to the business of NPF are made by or under the authority of the Board.
- 2.2. The Board has all the powers necessary for managing, and for directing or supervising the management of, the business of NPF.
- 2.3. Under section 6 of Schedule 4 of the NPF Act, the Board may delegate any of the functions or powers of the Board to a committee of the Board or to any person.
- 2.4. The Board has delegated to the Committee responsibility to consider, and decide where necessary, those matters shown in Appendix 1 as reported only to the Committee.

#### **3. Role of the Committee**

- 3.1. Subject to those powers and responsibilities reserved to the Board, the Committee will assist the Board in the following matters:
  - 3.1.1. Reviewing the financial reports of the Board of Trustees, the Schemes and the GAT, as provided to the Crown and other external parties.
  - 3.1.2. Reviewing the reporting and performance monitoring systems developed with the Schemes' administration manager and custodian.
  - 3.1.3. Reviewing and ensuring the independence of the external audit process.
  - 3.1.4. Reviewing the processes established by Annuitas to identify and respond to key risks including business continuity issues.
  - 3.1.5. Reviewing the assurance programme elements.
  - 3.1.6. Approving policy changes that are of a minor, or procedural, nature.
- 3.2. The Committee shall have the power to conduct or authorise investigations or reviews into any matters within the Committee's scope of responsibilities, within budgets approved by the Board.
- 3.3. Unless otherwise specified by the Board, the Committee has the power to make decisions with respect to those matters shown in Appendix 1 as reported only to the Committee.

3.3.1. Nothing in this clause stops the Committee from referring to the Board any matter for decision.

3.4. In meeting these responsibilities, the Committee will:

Audit Process

3.4.1. Ensure open communication between the Board, Office of the Controller and Auditor-General (OAG) and the contracted auditor appointed by the OAG (Auditor).

3.4.2. Liaise with the OAG on any relevant matters, including

- a) the appointment of the Auditor, and
- b) any special reviews or investigations initiated by the OAG.

3.4.3. Recommend to the Board the annual audit fee, and review annually the performance of the Auditor.

3.4.4. Review with Annuitas, the audit scope and annual plan of the Auditor, ensuring no restrictions are placed on the Auditor by Annuitas.

3.4.5. Review, with Annuitas and the Auditor, the co-ordination of audit effort to assure completeness of coverage, reduction of duplicate and redundant effort, and effective use of all audit resources.

Risk Management

3.4.6. Maintain oversight of Annuitas' identification, assessment, management and monitoring of key areas of financial and non-financial risk and exposure (inherent, residual and target) facing the Board and the Schemes.

3.4.7. At least annually ensure that the Board considers whether any changes are required to the key risk profile and the management thereof.

3.4.8. Maintain oversight of the assurance programme and associated reporting of the assurance elements.

3.4.9. Consider and review with Annuitas during the year:

- the processes for assuring ongoing compliance with contracted arrangements and for the management of key risks, in the Schemes' administration and custodian functions, including computerised information systems control and security.
- any related significant findings and recommendations of the Auditor, together with Annuitas' responses.
- the appropriateness of accounting policies, including any changes in relevant accounting standards and legislation impacting on the preparation of financial statements.

Annual Financial Statements

3.4.10. Review, with Annuitas and the Auditor, at the completion of the annual audit:

- the Board of Trustees, the Schemes and the GAT's financial statements and related note disclosures including the assessment of significant estimates and judgements in the financial statements.
- the audit of the financial statements.
- written representations from the custodian, the taxation advisor, lawyers and Annuitas.
- whether the Schemes and the GAT continue to meet the going concern assumptions and can continue to pay benefits in the foreseeable future.
- the treatment of transactions which are significant, unusual or require substantial judgement.

- any related significant findings or recommendations of the Auditor and Annuitas' responses.
- any disputes or difficulties encountered in the course of the audit, including any restrictions on the scope of the audit work or access to required information.
- any changes required in the scope of the audit plan.
- Monitor legal and regulatory filings, associated with the financial statements, and other reports required to be filed to ensure that these requirements have been met.

### **Other responsibilities**

3.5. In addition to the above, the Committee will consider annually or as deemed appropriate whether to gain assurance regarding the robustness of processes in the following areas.

#### External Management Contracts

3.5.1. Compliance of external managers with the terms of their respective contracts and monitoring the compliance undertaken by Annuitas or the Auditor.

- For clarity, ARRC's responsibility is to consider the processes for monitoring manager compliance. Whether managers are compliant is addressed separately to the Board through the CIO report.

#### Control Over Expenditure

3.5.2. Review of delegated authorities.

3.5.3. Review policies and procedures with respect to the control over expenses and consider the results of any review of these areas by the Auditor.

#### Management

3.5.4. Procedures and checks in place to assure the Board that standards and conduct of Annuitas are such as to ensure:

- Compliance by the Board with all appropriate legislation.
- Compliance by the Board and Annuitas with agreed policies.

#### Policies

3.5.5. Review changes to organisational policies and accept any changes of a minor, or procedural, nature.

- For clarity, where material changes are proposed, policy reviews are sent directly to the Board.

## **4. Reporting**

4.1. Attached as Appendix 1 is the reporting schedule for the Committee.

4.2. Where a paper considered by the Committee is being referred on to the Board for further review or final decision, the Committee will make a recommendation to the Board as to what it believes is the appropriate course of action.

4.3. The Chair of the Committee will give a summary of the Committee's deliberations at the subsequent Board meeting.

## **5. Relationships**

5.1. The Committee will work closely with Annuitas in fulfilment of these Terms of Reference and the provision of services by Annuitas to the Board.

5.2. The Committee will liaise as necessary with Annuitas and the Auditor to enable it to advise the Board on compliance. It will meet with the Auditor, separate from Annuitas, at least once a year.

## **6. Membership**

- 6.1. The membership of the Committee shall be comprised of at least two members of the Board, with the Chair of the Board an ex-officio member. The Chair of the Board is not to be Chair of the Committee.
- 6.2. A quorum is two Committee members, and membership of the Committee must be reviewed at least every three years, and rotation of member's appointments is to be encouraged.

## **7. Meetings**

- 7.1. The Committee may meet at the request of any Committee member, but in any event hold no less than three meetings during a year, and where appropriate as required to fulfil its responsibilities.
- 7.2. Minutes of all Committee meetings will be available to all Board members via Diligent.
- 7.3. Working in conjunction with the Committee Chair, Annuitas' Chief Financial Officer will determine a timetable and agenda to ensure that all matters within the Committee's responsibility are considered each year. Meetings will take place at times agreed by the Committee.
- 7.4. The Committee shall invite Annuitas staff, the Auditor and representatives of other organisations to attend meetings, as it deems necessary, for the conduct of its business.

## **8. Review**

- 8.1. The Committee's Terms of Reference will be reviewed triennially to ensure its activities remain consistent with the Board's responsibilities.
- 8.2. The Committee will review its own performance annually alternating between a minuted discussion and a documented questionnaire, and the Chair of the Committee will report to the Board following each review.

## **9. Administration**

- 9.1. Annuitas' Chief Financial Officer shall act as secretary to the Committee and may delegate this responsibility as required.

## **10. Approval**

- 10.1. Last approved by the Board February 2026.

## Appendix One – Reporting Schedule

Lead	Reporting Items	Reporting Line			
		ARRC	Freq	Board	Freq
CFO	CFO Report incl. update on financial matters			✓	Quarterly
CFO	Quarterly Financials for NPF and the Funds			✓	Quarterly
CFO	S67 Report to Minister of Finance			✓	Yearly
CFO	Tax Contract Review			✓	3 Yearly
CFO	Going Concern	✓	Yearly	✓	Yearly
CFO	Representations	✓	Yearly	✓	Yearly
CFO	NPF Budget	✓	Yearly	✓	Yearly
CFO	Financial Statements (Annual Report) GAT BoT Schemes	✓	Yearly	✓	Yearly
CFO	Auditor's Report to the Committee	✓	Yearly	✓	Yearly
CFO	Audit Contract Review	✓	Yearly	✓	3 Yearly
CFO	Auditor's Engagement Letter	✓	Yearly	✓	3 Yearly
CFO	Auditor's Strategy & Fees	✓	Yearly	✓	3 Yearly
CFO	Changes to Financial Statements*	✓	Yearly		
CFO	Contracts over \$100k including Legal*	✓	Yearly		
CFO	External Auditor Process and Review*	✓	Yearly		
CFO	Taxation management update* -	✓	Yearly		
CRO	CRO report			✓	Quarterly
CISO	IT update including governance and strategy			✓	Quarterly
CRO	Review of insurance			✓	Yearly
CRO	Acceptable Conduct Declaration			✓	Yearly
CRO	Key Risk Review			✓	Yearly
CRO	Review of Assurance Framework			✓	3 Yearly
CRO	Policy Reviews - minor changes	✓	As req'd		
CRO	Policy Reviews – material changes			✓	As req'd
CRO	Key Risk Register	✓	Quarterly		
CRO	Legal & Regulatory Compliance	✓	Yearly	✓	Yearly
CRO	ARRC Terms of Reference	✓	3 Yearly	✓	3 Yearly
CRO	ARRC Performance - Minuted Discussion	✓	2 Yearly	✓	2 Yearly
CRO	ARRC Performance - Questionnaire/Survey	✓	2 Yearly	✓	2 Yearly
CRO	Assurance Programme Update*	✓	6 monthly		
CRO	Risk Event Register Overview*	✓	Yearly		
CRO	Key Risk Controls Testing*	✓	Yearly		
CRO	Annual Warrant Compliance*	✓	Yearly		
CRO	Regulatory Publications Filings Summary*	✓	Yearly		
GM Schemes	Policy review - Crediting and Reserving Policy	✓	3 Yearly	✓	3 Yearly

\* These matters may be reviewed, and decided upon as necessary, by the Committee without reference to the Board.